

Minutes
Extraordinary General Meeting
ABN AMRO Group N.V.

8 August 2017

Minutes of the Extraordinary General Meeting

ABN AMRO Group N.V

ABN AMRO Head Office, Gustav Mahlerlaan 10, Amsterdam

(These minutes are a concise record of the proceedings at the meeting.)

Tuesday 8 August 2017, 9.00-10.00 hrs

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Those present:

The full Supervisory Board:

Ms Olga Zoutendijk (Chairman of the Supervisory Board, also Chairman of this meeting), Mr Steven ten Have (Vice-Chairman of the Supervisory Board and Chairman of the Remuneration, Selection & Nomination Committee), Mr Arjen Dorland, Ms Frederieke Leeftang, Ms Annemieke Roobeek, Mr Jurgen Stegmann (Chairman of the Risk & Capital Committee) and Mr Tjalling Tiemstra (Chairman of the Audit Committee).

The full Executive Board:

Mr Kees van Dijkhuizen (Chief Executive Officer), Mr Johan van Hall (Vice-Chairman and Chief Operating Officer) and Mr Wietze Reehoorn (Chief Risk Officer).

The acting CFO:

Mr Rahusen.

The meeting secretary:

Mr Ruud van Outersterp.

The Executive Board members to be newly appointed in this meeting:

Mr Clifford Abrahams and Ms Tanja Cuppen.

The shareholders and depositary receipt holders:

Five shareholders and depositary receipt holders were present or represented; together they represented 36,524 shares and depositary receipts for shares.

1. Opening and announcements

The **Chairman** opened the meeting at 9.00 hrs and cordially welcomed all present.

The **Chairman** explained that the meeting had only one substantive item on the agenda, namely the intended appointments of Mr Abrahams and Ms Cuppen as members of the Executive Board. The sole purpose of this Extraordinary General Meeting was to inform the General Meeting about the intended appointments by the Supervisory Board. No items would be put to the vote during this meeting.

The **Chairman** noted that the full Supervisory Board and the full Executive Board were present. Mr Van Outersterp would act as secretary to this meeting.

The **Chairman** went on to make a number of announcements about internal business. She stated that the proceedings at the meeting could be followed by means of a webcast on the internet in both English and Dutch. The **Chairman** said that a tape recording would be made of the entire meeting to enable the minutes to be drawn up. The minutes would be adopted and signed by the Chairman and the secretary in accordance with the articles of association.

The **Chairman** then explained that this meeting was being held in what was known as the quiet period. ABN AMRO would be publishing its half-year results tomorrow. This meant that during this meeting nothing could be divulged about the company's results, operational matters or other information that could affect the price of the shares and/or the bank's financial position.

The **Chairman** then gave the meeting an opportunity to ask questions about the announcements she had just made.

Before the substantive consideration of the agenda item, Mr **Jorna** asked a number of general questions on behalf of the Dutch Investors' Association (referred to below by its Dutch acronym VEB). First of all, he inquired why this Extraordinary General Meeting had been scheduled for today rather than after tomorrow's planned publication of the half-year results as this would have given an opportunity to answer questions about the results, costs and revenues as well as about the progress of the digitisation (a strategy priority of the bank). Mr Jorna pointed out that, besides the State of the Netherlands as major shareholder, there were also smaller shareholders who felt the need to be able to engage in a discussion with the bank about the course of events in the first half of the year and, in particular, the second quarter. This need was all the greater because, in Mr **Jorna's** opinion, no satisfactory answers had been given to questions about the above-mentioned matters during the General Meeting in May of this year. As

a corollary of this, Mr **Jorna** pointed out that no minutes of that meeting had yet been published.

Second, he asked why there had been no communication about the position taken by the European Central Bank (ECB) on the intended appointment of Ms Cuppen, given that the approval of Mr Abrahams' appointment had already been received.

And, finally, Mr **Jorna** asked why external rather than internal candidates had been nominated for appointment. This struck him as strange since the positions in question were of a technical nature and required specialist knowledge rather than vision. Mr **Jorna** had expected that a large organisation such as ABN AMRO would have been able to find candidates internally.

The **Chairman** pointed out once again that today's meeting was an Extraordinary General Meeting that had been called for the sole purpose of informing the meeting about the intended appointments. The date had been chosen because it was desired to inform the General Meeting as quickly as possible. This had been the first opportunity for the Supervisory Board and the Executive Board to meet together since the summer. The half-year figures providing information about results, costs and revenue would be published tomorrow.

The reason why Ms Cuppen had not yet received the ECB's approval was that her nomination procedure had started later than that of Mr Abrahams. The approval of her appointment was not expected to give rise to any problems.

The Chairman pointed out that the persons recently appointed to the Executive Committee had all been internal candidates. In making these appointments, ABN AMRO had thus given internal talent the opportunity for advancement. In the case of the appointments to the Executive Board, it had been decided, when viewed in conjunction with the appointments to the Executive Committee, that the aim should be to provide internal talent with an opportunity for advancement and also to recruit fresh talent from outside to bring new perspectives. ABN AMRO considered it important not only to promote its own voice and its own thinking but also to be receptive to external influences. To encourage diversity of thought, which was of great importance to every organisation, particularly in a world undergoing such rapid change, it had been decided on this occasion to nominate external candidates for appointment

Mr **Jorna** replied that since ABN AMRO's stock exchange listing was of only recent date, shareholders needed to be able to ask critical questions about the consequences of its policy in the second quarter.

Mr **Jorna** also inquired why the procedure for obtaining the ECB's approval of Ms Cuppen's appointment had been started later than that of Mr Abrahams.

Finally, Mr **Jorna** noted that many changes were being made in the highest echelon of the bank, as not only the CEO but also the CFO and CRO were being replaced. Mr Jorna said that as these positions were being filled from outside good internal candidates were being deprived of career opportunities and that the appointments in fact amounted to a culture shock.

The **Chairman** explained that when Mr Van Dijkhuizen was appointed as CEO from within the bank, this had immediately created a vacancy for his former position of CFO. Priority had therefore been given to the recruitment and selection procedure. As the Supervisory Board discovered other talent and other candidates during the search process, this had led to interviews with Ms Cuppen for the position of CRO. This had therefore taken place in an entirely natural way.

As regards the many alterations to the composition of the Executive Board, the Chairman acknowledged that it involved much change. However, this was a natural process that occurred in every organisation, certainly after nine years. Moreover, the Supervisory Board welcomed the influx of new experience that would shortly occur as a result.

Mr **Jorna** wondered whether there was sufficient support within the organisation for external candidates. The **Chairman** pointed out that a profile had been compiled for both vacancies and used to select the best candidates.

Mr **Jorna** pointed to the restrictions on remuneration in the banking industry and, in view of the bank's low salary ceiling, asked whether the two candidates had been the first choice.

The **Chairman** confirmed that the current two candidates had been the bank's first choice. She added that from her 30-years' experience of management she did not believe that people were primarily motivated by money. If that had been the primary motive, this would not have been the talent which the bank was seeking to recruit.

As the Chairman noted that there were no further questions or comments, she closed consideration of this agenda item and moved on to agenda item 2, the intended appointments of the Executive Board members.

2. Intended appointment of Executive Board members

The Chairman informed the General Meeting that the Supervisory Board had announced its intention on 15 May 2017 to appoint Mr Abrahams and Ms Cuppen as members of the Executive Board. In accordance with article 2:162 of the Dutch Civil Code, the Supervisory Board hereby notified the General Meeting of ABN AMRO Group of the intended appointments. The ECB's approval of the intended appointment of Mr Abrahams has been received, and the suitability test of Ms Cuppen was still in progress. In accordance with the articles of association of ABN AMRO Group, the Supervisory Board would appoint Mr Abrahams and Ms Cuppen as members of the Executive Board. In the case of Ms Cuppen, this would be after receipt of the ECB's approval as referred to above. The Staff Council had given a positive opinion on both appointments. The main elements of the contracts with Mr Abrahams and Ms Cuppen had been posted on ABN AMRO's website.

The Chairman noted that there were no questions about this and moved on to agenda item 2(a), namely the intended appointment of Mr Abrahams as a member of the Executive Board of ABN AMRO.

a) Intended appointment of Mr Clifford Abrahams (discussion item)

It was intended to appoint Mr Abrahams as member of the Executive Board and CFO for a term of three years as of 1 September 2017. Mr Rahusen would continue discharging his duties as acting CFO until the appointment of Mr Abrahams took effect. Mr Abrahams had British nationality and had been a member of the Executive Board and Group Chief Financial Officer of Delta Lloyd since January 2016. Before this Mr Abrahams had worked as a banker at Morgan Stanley. For further information, reference should be made to the resolution with explanatory notes and the curriculum vitae of Mr Abrahams, which are among the meeting documents. The Supervisory Board was convinced that in view of Mr Abraham's extensive knowledge and experience of the financial services industry, he would be able to make a major contribution as CFO to the Executive Board of ABN AMRO.

The **Chairman** then gave Mr Abrahams the opportunity to explain to the meeting what had been his main reasons for accepting the nomination.

Mr **Abrahams** thanked the Chairman for her introduction. He explained that – as his CV showed – he had ample experience of financial services, most recently as

CFO of Delta Lloyd where he had played an important role in strengthening its capital position and trading result. Mr **Abrahams** said that after due consideration he was pleased to accept the responsibility of joining ABN AMRO's Executive Board and being able to contribute to improving the bank for its clients, shareholders and staff and for society in general. He would also use his best efforts to enhance the bank's attractiveness and security and ensure transparent reporting. Mr **Abrahams** said that as a person he was resolute and demanding and was interested in ensuring the bank's commercial success.

The **Chairman** then provided an opportunity for questions and comments. Mr **Jorna** remarked that the VEB had noticed that Mr Abrahams was taking a substantial pay cut. This said a good deal about his motivation. In view of this and of his functioning at Delta Lloyd, the VEB had every confidence that Mr Abrahams was a good candidate.

The **Chairman** noted that there were no further questions and moved on to agenda item 2(b), namely the intended appointment of Ms Cuppen as member of the Executive Board of ABN AMRO.

b) Intended appointment of Ms Tanja Cuppen (discussion item)

The intention was to appoint Ms Cuppen for a term of three years as member of the Executive Board as of 1 October 2017 and CRO as of 1 November 2017 in succession to Mr Reehoorn. In the intervening period, there would be a transfer of responsibilities by Mr Reehoorn. Ms Cuppen had Dutch nationality and her last position was that of CRO of Rabobank North America in New York. For further information, reference should be made to the resolution with explanatory notes and the curriculum vitae of Ms Cuppen, which are among the meeting documents. The Supervisory Board was convinced that in view of Ms Cuppen's extensive knowledge and experience of risk management in both the Netherlands and the international banking industry she would be able to make a major contribution as CRO to the Executive Board of ABN AMRO.

The **Chairman** then gave Ms Cuppen the opportunity to explain to the meeting what had been her main reasons for accepting the nomination.

Ms **Cuppen** thanked the Chairman for her introduction and explained that – as her CV showed – she had had ample experience of the banking industry both on the commercial side and in finance and risk management. The positions she had held in recent years included Chief Financial and Risk Officer for Rabobank International and CRO for Rabobank's US activities. In the latter position, she had played an important role in strengthening the risk management function and

implementing the Dodd-Frank legislation. In addition to her work, she had also always held secondary positions of a social nature.

Ms **Cuppen** said that after due consideration she was pleased to accept the responsibility of joining ABN AMRO's Executive Board and being able to use her outside-in vision and international banking experience to help the bank achieve its aim of sustainable growth in a client-focused manner. As CRO she would focus on achieving a sound risk culture and good risk/return ratio and on monitoring the risks within the scope of the organisation's risk appetite. She also wished to ensure that ABN AMRO could in this way achieve its strategic objectives and yield targets and also play its role in society in times of stress. Ms Cuppen described herself as analytical, result-oriented and person-oriented.

The **Chairman** then provided an opportunity for questions and comments.

Mr **Jorna** asked how the selection process had taken place.

The **Chairman** explained that, on the basis of a profile, the Supervisory Board, with the external assistance of a professional search firm, had drawn up a long-list and a shortlist, from which Ms Cuppen had been selected as the best candidate.

Mr **Jorna** then pointed out that NL Financial Investments had a right to advise on appointment procedures and inquired whether the State of the Netherlands had expressed a clear preference, partly in view of the statements made by Mr Dijsselbloem to the effect that there should be much more diversity on the board. Mr **Jorna** also asked whether the State of the Netherlands had played a guiding role in the appointment process.

The **Chairman** answered that the Supervisory Board had long wished to have greater diversity in the top echelons of the bank and that this was quite separate from the statements of Mr Dijsselbloem. This was why someone of foreign nationality and a woman had now been nominated for appointment to the Executive Board. Both had emerged as the best candidate in the selection process. The State had given a positive opinion, but had not played a guiding role in the process.

Mr **Jorna** inquired whether Ms Cuppen had played a crucial role in the Libor affair at Rabobank as regards the identification of the risks and whether she had not failed in this respect. The **Chairman** observed that this was not relevant to Ms Cuppen's candidacy as the Libor affair had taken place before Ms Cuppen held the position of CRO Rabobank North America. On request, the **Chairman** stated that no questions had been received from the supervisory authorities. Mr **Jorna** said that although Ms Cuppen had perhaps not had a position in the United States at the time of the Libor affair, she had been Global Head of

Corporate Finance at that time. The **Chairman** answered that this was an entirely different position which was quite separate from the Libor affair. Mr **Jorna** then asked whether it was expected that Ms Cuppen would be prosecuted in the United States. The **Chairman** replied that this was a very speculative question, but said there was no reason to expect this. Nor had any indication whatever of such a risk been found during Ms Cuppen's integrity assessment. The **Chairman** pointed out as well that such an integrity assessment also formed part of the ECB/DNB approval process.

Mr **Jorna** said that he would like to receive an explanation of how both candidates had come to choose ABN AMRO.

Ms **Cuppen** explained her choice by saying that she had always had a positive impression of ABN AMRO. She had had various talks with a headhunter and with representatives of ABN AMRO and had immersed herself in the bank's strategy and ambitions. ABN AMRO's stated ambition of playing an important role in society and growing internationally was particularly appealing to her as she felt her experience would enable her to contribute to this. This was important to Ms Cuppen not only in terms of getting job satisfaction and devoting her energies to the job but also because of the atmosphere that could be created in the organisation.

Mr **Jorna** asked whether Ms Cuppen had spoken to the second and third echelons of her future department, bearing in mind the possible sensitivities mentioned previously.

Ms **Cuppen** replied that she was holding discussions at present to make the acquaintance of the various tiers of the organisation. She did not recognise the sensitivities to which reference had been made. What she did see, however, was that people were ambitious and were working to achieve a better and finer organisation. She appreciated that someone from outside would always have to do his or her utmost to create good working relationships.

Mr **Abrahams** explained that in his capacity of Delta Lloyd's CFO he had worked for a few years in a listed company in the insurance industry. The possibility of joining a bank was therefore very appealing to him. In addition, he had a particular interest in the Retail and Wholesale Banking sectors, bearing in mind their impact on the economy and society. Mr **Abrahams** said that in his view ABN AMRO was a tremendous bank with a long history and as such offered both opportunities and challenges. During the appointment process, Mr Abrahams had got to know and been impressed by the team. The bank was currently in the throes of change, but this also presented opportunities for growth. Mr **Abrahams** realised that this posed challenges, but also saw a possibility for himself to contribute to developing ABN AMRO's potential as an institution, partly because its strategy and ambitions matched his own outlook.

Mr **Jorna** observed that Mr Abrahams would experience a drop in salary as a result of moving from Delta Lloyd to ABN AMRO. After noting that Mr Van Dijkhuizen had previously indicated that he wanted to create a better defined performance-oriented culture within ABN AMRO, Mr **Jorna** asked Mr Abrahams how, in the light of his experience, he viewed the fact that he could not use variable pay as a management tool for this performance-oriented culture.

Mr **Abrahams** replied that although remuneration was important, other factors, including appreciation and recognition, also played a role in deciding whether to accept a job.

As far as variable pay is concerned, Mr **Abrahams** acknowledged that this was an interesting question which was also asked by investors (particularly in the United States). However, he said that he saw no difference between ABN AMRO and any other Dutch financial institution in respect of bonuses. Bonuses were, in his view, more bound up with recognition and perceptions of fairness, which – as already noted – can be expressed in other ways as well. Moreover, there was always a short-term trade-off, especially in the banking sector, between financial performance on the one hand and risk appetite and security on the other, which is always in the interests of investors as well. Mr Abrahams was convinced that remuneration for the executive board of an institution did not pose insuperable problems. Moreover, he had experience of this as a member of the Executive Board of Delta Lloyd.

3. Closure

The Chairman emphasised that she was very pleased about the intended appointments of Mr Abrahams and Ms Cuppen as members of the Executive Board of ABN AMRO. It was expected that in view of their proven leadership qualities and strategic skills both candidates would make a material contribution to the successful implementation of ABN AMRO's strategy.

The Chairman also expressed her heartfelt thanks to Mr Reehoorn for his contribution to ABN AMRO over the past 30 years.

Finally, Mr **Jorna** asked when the ECB's approval of the intended appointment of Ms Cuppen was expected. The **Chairman** replied that approval could normally be expected within 6-13 weeks. The **Chairman** also offered to schedule a separate meeting for the VEB with Mr Van Dijkhuizen to allow an exchange of views, within the applicable rules of engagement, on current developments after publication of the half-year results. Mr **Jorna** said that he was pleased to accept the offer.

The Chairman closed the meeting at 10.00 hrs and thanked all present for their contributions to the meeting.

Minutes of a meeting are adopted and subsequently signed by the chairman and the secretary of the meeting.